

# ANNUAL REPORT TO STOCKHOLDERS

1960

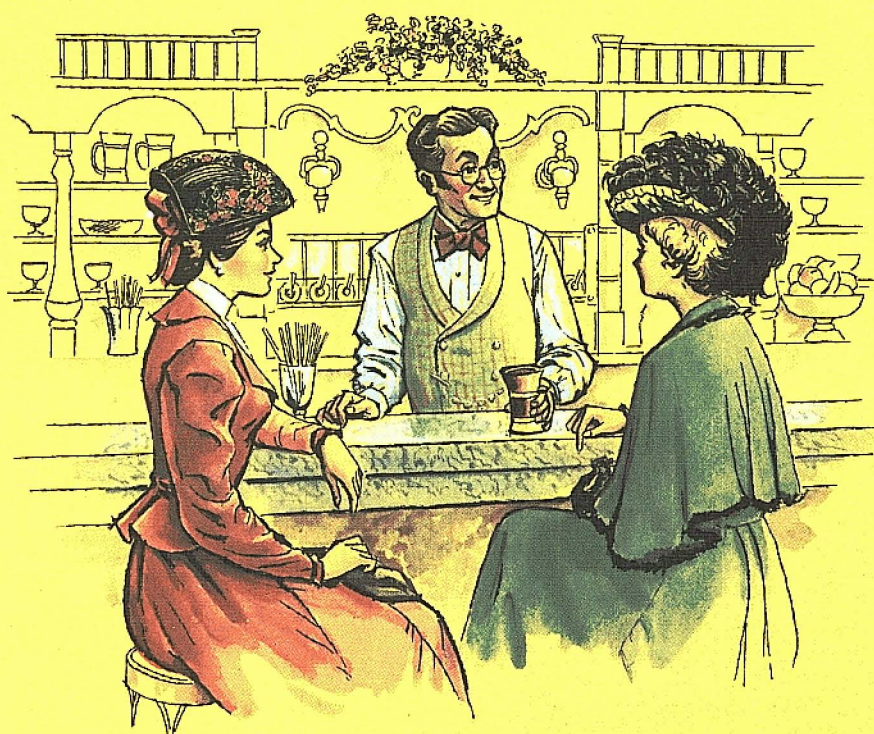
THE COCA-COLA COMPANY  
WILMINGTON, DELAWARE



# Annual Report

The Coca-Cola Company  
and its subsidiaries

1960

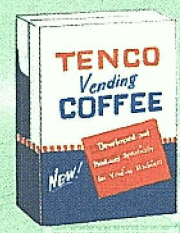
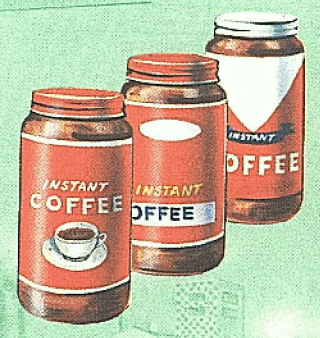


*Refreshing  
America  
since 1886*





# Refreshment





# THE COCA-COLA COMPANY

## BOARD OF DIRECTORS

A. A. ACKLIN  
C. H. CANDLER, JR.  
HOLMAN R. CLOUD  
WILLIAM A. COOLIDGE  
R. R. DEUPREE  
JAMES A. FARLEY  
R. W. FREEMAN  
BERNARD F. GIMBEL  
LINDSEY HOPKINS

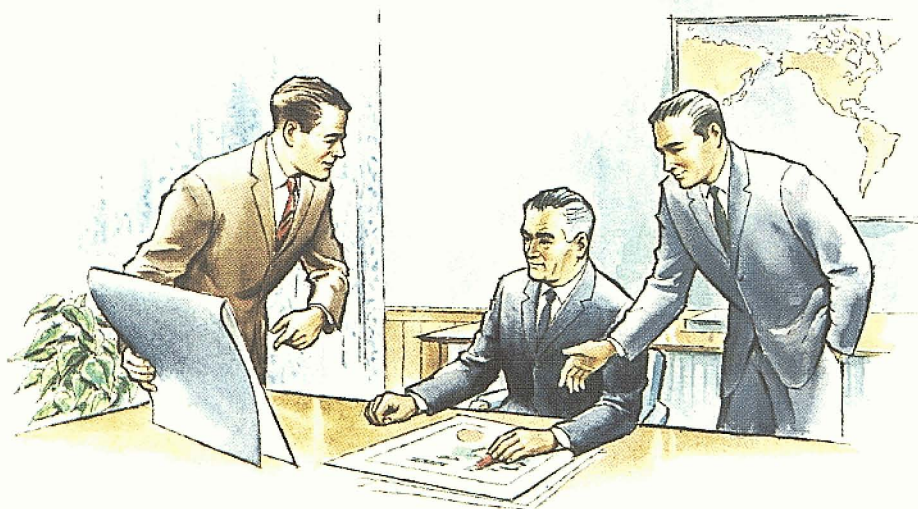
HARRISON JONES  
JOHN T. LUPTON  
H. B. NICHOLSON  
WILLIAM E. ROBINSON  
HUGHES SPALDING  
LEE TALLEY  
D. A. TURNER  
GEORGE W. WOODRUFF  
R. W. WOODRUFF

## OFFICERS

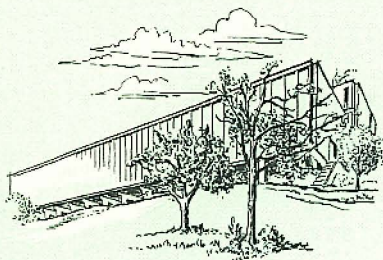
WILLIAM E. ROBINSON . . . . .	<i>Chairman, Board of Directors</i>
LEE TALLEY . . . . .	<i>President</i>
EDGAR J. FORIO . . . . .	<i>Senior Vice President</i>
C. W. ADAMS . . . . .	<i>Vice President</i>
RALPH J. BARRY . . . . .	<i>Vice President</i>
HUNTER S. BELL . . . . .	<i>Vice President</i>
C. W. HODGSON . . . . .	<i>Vice President</i>
M. S. HODGSON, JR. . . . .	<i>Vice President</i>
O. E. MAY . . . . .	<i>Vice President</i>
B. H. OEHLERT, JR. . . . .	<i>Vice President</i>
P. L. O'MALLEY . . . . .	<i>Vice President</i>
LEE PRICE . . . . .	<i>Vice President</i>
HAROLD S. SHARP . . . . .	<i>Vice President</i>
C. A. SHILLINGLAW . . . . .	<i>Vice President</i>
E. D. SLEDGE . . . . .	<i>Vice President</i>
JOHN C. STATON . . . . .	<i>Vice President</i>
JOHN D. GOODLOE . . . . .	<i>Secretary</i>
RAYMOND W. BOWLING . . . . .	<i>Treasurer</i>
FILLMORE B. EISENBERG . . . . .	<i>Controller</i>

## GENERAL COUNSEL

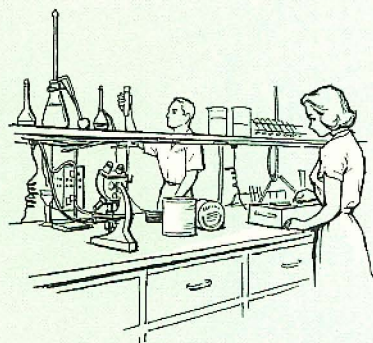
JOHN D. GOODLOE



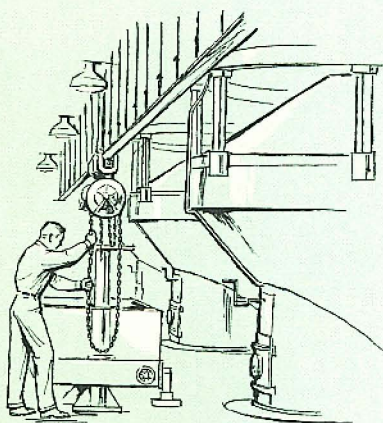




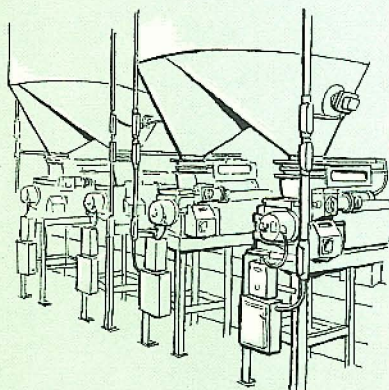
Essen, Germany  
Coca-Cola Bottling Plant.



One of the Research Laboratories  
at Minute Maid.



Mixing Tanks at one of The  
Coca-Cola Company's Syrup Plants.



Blending Scales for Tenco Coffee.

## FOREIGN OPERATIONS

### THE COCA-COLA EXPORT CORPORATION

JAMES A. FARLEY, New York, N. Y. . . . *Chairman, Board of Directors*  
 J. PAUL AUSTIN, New York, N. Y. . . . . *President*  
 C. L. AYRES, Sydney, Australia . . . . . *Vice President*  
 W. M. BEKKER, Buenos Aires, Argentina . . . . . *Vice President*  
 F. W. HARROLD, New York, N. Y. . . . . *Vice President*  
 MAX KEITH, Essen, Germany . . . . . *Vice President*  
 A. E. KILLEEN, Johannesburg, South Africa . . . . . *Vice President*  
 ALEXANDER MAKINSKY, Paris, France . . . . . *Vice President*  
 H. B. NICHOLSON, JR., Brussels, Belgium . . . . . *Vice President*  
 J. W. RINTELEN, New York, N. Y. . . . . *Vice President*  
 W. H. ROBERTS, Tokyo, Japan . . . . . *Vice President*  
 J. B. SHERWOOD, Mexico City, Mexico . . . . . *Vice President*  
 JOHN R. TALLEY, Rome, Italy . . . . . *Vice President*  
 R. M. THOMAS, Nassau, Bahamas . . . . . *Vice President*  
 A. S. WILLIAMS, London, England . . . . . *Vice President*  
 H. F. MACMILLAN, New York . . . . . *Vice President and General Counsel*  
 ROY S. JONES, New York, N. Y. . . . . *Vice President and Secretary*  
 J. H. WILSON, New York, N. Y. . . . . *Vice President and Treasurer*

### COCA-COLA LTD. (CANADA)

H. B. NICHOLSON . . . . . *Chairman, Board of Directors*  
 R. E. SEWELL . . . . . *President*  
 E. W. GRANT . . . . . *Vice President*  
 R. W. KEAST . . . . . *Vice President*  
 L. M. HUNTER . . . . . *Vice President*  
 G. J. LEONIDAS . . . . . *Vice President*  
 A. B. BALLENTINE . . . . . *Secretary*  
 C. W. I. JACKSON . . . . . *Treasurer*

### COCA-COLA CARIBBEAN CORPORATION

J. PAUL AUSTIN . . . . . *President*  
 F. W. HARROLD . . . . . *Vice President*  
 J. W. RINTELEN . . . . . *Vice President*  
 J. B. SHERWOOD . . . . . *Vice President*  
 R. M. THOMAS . . . . . *Vice President*  
 H. F. MACMILLAN . . . . . *Vice President and General Counsel*  
 ROY S. JONES . . . . . *Vice President and Secretary*  
 J. H. WILSON . . . . . *Vice President and Treasurer*



## DIVISIONS of The Coca-Cola Company

### FANTA BEVERAGE COMPANY

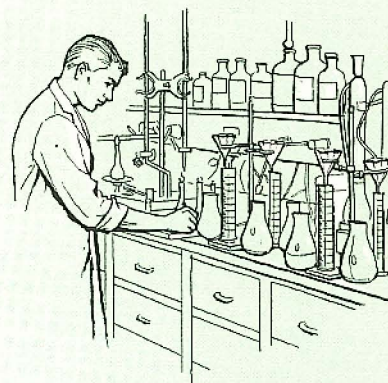
FRED W. DICKSON . . . . .	<i>President</i>
W. A. BOYKIN, JR. . . . .	<i>Vice President</i>
CARL M. JERNIGAN . . . . .	<i>Vice President</i>
WALTER L. SUSONG . . . . .	<i>Secretary</i>

### MINUTE MAID COMPANY

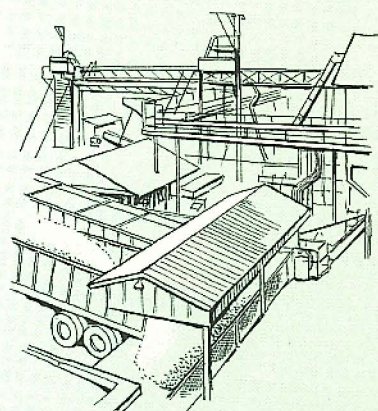
HOLMAN R. CLOUD . . . . .	<i>President</i>
HENRY CRAGG . . . . .	<i>Vice President</i>
HOWARD G. DICK . . . . .	<i>Vice President</i>
FRANKLIN E. PENN . . . . .	<i>Vice President</i>
WALLACE R. ROY . . . . .	<i>Vice President</i>
HUGH W. SCHWARZ . . . . .	<i>Vice President</i>
DANIEL DRAPER . . . . .	<i>Vice President and Treasurer</i>
WILLIAM E. SPEELER . . . . .	<i>Vice President and Secretary</i>
GEORGE BORYSEWICH . . . . .	<i>Controller</i>

### TENCO

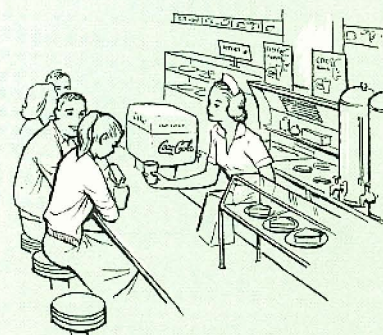
EDWARD ABORN . . . . .	<i>President</i>
DUDLEY A. TREMBLE . . . . .	<i>Executive Vice President</i>
ALBERT P. MORROW . . . . .	<i>Vice President</i>
GEORGE W. PEABODY . . . . .	<i>Vice President and Secretary</i>
FRANK W. BACHMANN . . . . .	<i>Treasurer and Controller</i>



A corner of one of the Research Laboratories at Tenco.



Minute Maid fruit being graded for quality.



A typical fountain outlet.



## LETTER TO STOCKHOLDERS - 1960

Net profit, after taxes and all other charges, was \$39,341,319, or \$2.87 per share in 1960, compared with \$38,251,207, or \$2.80 per share in 1959. In dollar sales and in profit after taxes, the results attained, both within the United States and in the wide territory served by our Export Corporation, exceeded previous records. The 1960 figures reflect the operating status resulting from the merger of Minute Maid Corporation into The Coca-Cola Company and the increased number of outstanding shares resulting therefrom. For comparative purposes, 1959 earnings have been correspondingly adjusted to show the combined results of operations of both companies. Before adjusting for the Minute Maid merger, Coca-Cola earnings for 1959 were \$33,581,679, or \$2.64 per share. In 1960, both dollar sales and profit of The Coca-Cola Company, before including Minute Maid operations, exceeded 1959.

There has been continuing activity in adapting our various packages to assure maximum serviceability. Earlier additions of 10 and 12-ounce King sizes and the 26-ounce Family size bottles to our "Regular" 6½-ounce container enabled Bottlers in this and other countries to materially broaden the distribution of their output.

Further enlargement of Bottlers' sales resulted from their expanding use of the perfected Pre-Mix procedure. This makes available to consumers draft Coca-Cola, completely prepared on the bottling premises and sealed in large containers for retail sale in individual cups.

The marketing of Coca-Cola in cans is meeting with growing acceptance in certain areas.

Meanwhile, sales of our Fountain Division — the original method of distribution which was introduced in 1886 — once more reached a new high volume during the year just passed.

Public acceptance here and abroad of a new line of soft drinks, marketed by Bottlers of Coca-Cola under the trade-mark FANTA, led to our creating the Fanta Division of the Company to promote these products. This division has also completed the market testing of a new beverage in the lemon-lime category, to be sold in a distinctive bottle under the trade-mark SPRITE. This will shortly be made available to Bottlers of Coca-Cola throughout the country.



Our business in Cuba was seized in October by the Revolutionary Government of that country. Cuban managerial personnel who are not Cuban nationals have been transferred to other posts in our foreign operations. Since the seizure we have had no contact or dealings with our former business. Our information is that a product labeled "Coca-Cola" continues to be offered on the Cuban market. As a result of the seizure, 1960 earnings from the Cuban business were 4¢ per share less than the previous year. The loss of our Cuban assets, estimated at \$2,032,981 after taxes, has been deducted from our earned surplus account.

The merger of Minute Maid Corporation and its Tenco Division into The Coca-Cola Company increases the diversification of our output by the addition of numerous products having wide public appeal. The principal products of Minute Maid consist of lines of frozen citrus juice concentrates and ades sold under the trade-marks "Minute Maid" and "Snow Crop," and a line of non-frozen fruit drinks sold under the "Hi-C" trade-mark. Additional activities include the marketing of fresh fruit and collateral products, such as essential oils, cattle feed, and other by-products of the citrus operation. Other interesting new products have been developed and will be test-marketed during 1961.

The principal products of "Tenco" are instant coffee and instant tea, manufactured for and sold by chain food stores and other distributors under their own private labels. Tenco is also an important supplier of instant coffee for automatic vending operations under its own trade-mark "Tenco."

We particularly welcome into association with us our new Minute Maid and Tenco Divisions. They bring to our enterprise a sizeable potential in support of its basic long-term outlook.

The consolidated balance sheet, profit and loss statement, and earned surplus statement appear on the following pages. A separate mailing will contain proxy forms and notice of the annual meeting of stockholders at 11 A.M., Eastern Daylight Time, on Monday, May 1, 1961, at the office of the Company, 100 West Tenth Street, Wilmington, Delaware.

For the Board of Directors,

LEE TALLEY,  
*President*

WILLIAM E. ROBINSON,  
*Chairman of the Board*



# CONSOLIDATED

## The Coca-Cola Company

### ASSETS

#### CURRENT:

Cash . . . . .	\$ 42,489,427
U. S. Government and other marketable securities—at cost (market price \$60,503,746) . . . . .	60,668,413
Trade accounts receivable (less allowance of \$629,484) . . . . .	37,856,770
Inventories . . . . .	68,943,233
Prepaid expenses . . . . .	<u>7,146,561</u>

TOTAL CURRENT ASSETS . . . . . \$217,104,404

MISCELLANEOUS INVESTMENTS AND OTHER ASSETS . . . . . 18,748,797

#### PROPERTY, PLANT AND EQUIPMENT:

##### At cost:

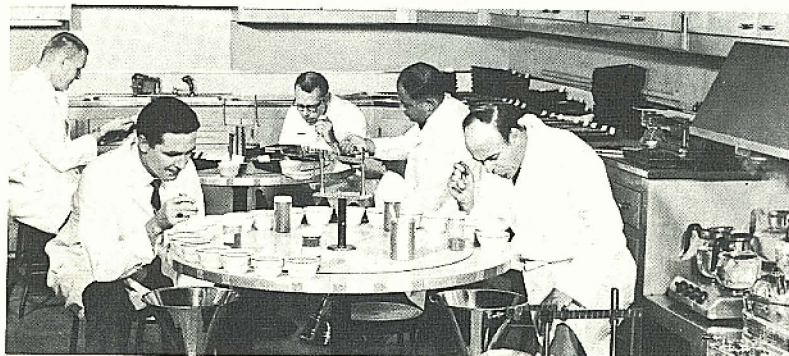
Land and improvements . . . . .	\$ 21,994,499
Buildings . . . . .	60,505,233
Machinery and equipment . . . . .	116,030,701
Containers . . . . .	<u>15,324,455</u>
	<u>\$213,854,888</u>

Less allowance for depreciation . . . . . 84,490,719 129,364,169

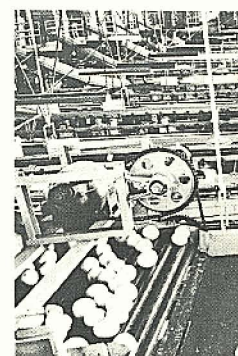
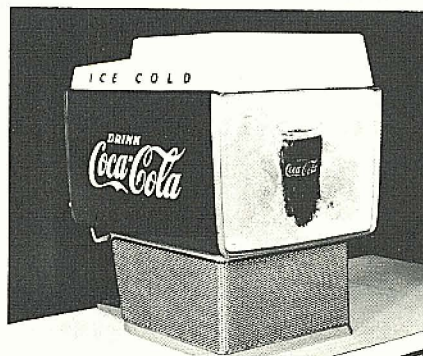
FORMULAE, TRADE-MARK AND GOODWILL—at cost . . . . . 42,333,511  
\$407,550,881

See Notes To

Taste-testing and blending at Tenco.



A Fountain Dispensing Unit.





# BALANCE SHEET

## ny and its Subsidiaries

December 31, 1960

### LIABILITIES

#### CURRENT:

Notes payable . . . . .	\$ 11,196,110
Accounts payable and accrued accounts . . . . .	40,227,305
Accrued taxes—including taxes on income . . . . .	\$ 40,155,655
Less U. S. Government securities for payment of income taxes . . . . .	16,577,014
Current maturities of long-term debt . . . . .	<u>2,076,735</u>

TOTAL CURRENT LIABILITIES . . . . . \$ 77,078,791

LONG-TERM DEBT . . . . . 17,482,257

RESERVE FOR UNREMITTED FOREIGN PROFITS . . . . . 50,987,568

#### CAPITAL STOCK AND SURPLUS:

Common stock—no par value:

Authorized . . . 15,000,000 shares

Issued . . . 13,778,388 shares (including  
906,405 shares reserved for issuance in the merger) . . . . . \$ 50,501,574

Capital surplus . . . . . 3,372,699

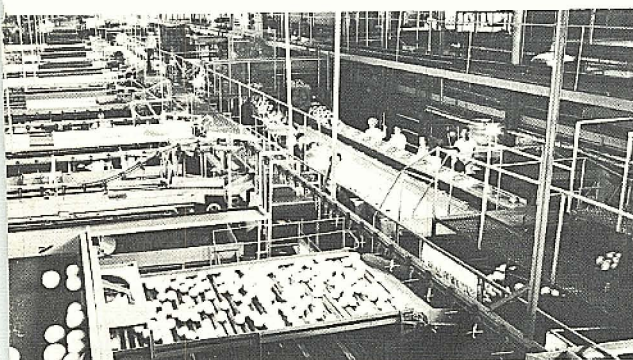
Earned surplus . . . . . 209,576,281  
\$263,450,554

Less 24,932 shares of stock owned  
by Company—at cost . . . . . 1,448,289

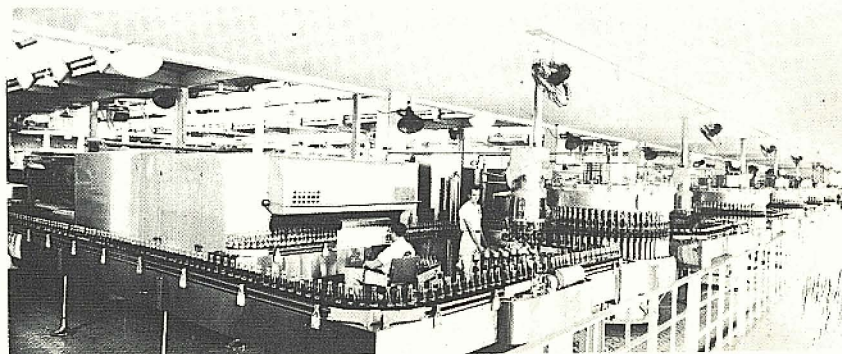
262,002,265  
\$407,550,881

#### Financial Statements

Fresh fruit packing house at Minute Maid.



Interior Atlanta Coca-Cola Bottling Company.





# THE COCA-COLA COMPANY and its Subsidiaries

Year Ended December 31, 1960

## CONSOLIDATED PROFIT AND LOSS STATEMENT

Net sales . . . . .		\$501,986,613
Cost of goods sold . . . . .		262,952,554
GROSS PROFIT . . . . .		<u>\$239,034,059</u>
Selling, administrative and general expenses . . . . .		152,256,906
OPERATING PROFIT . . . . .		<u>\$ 86,777,153</u>
Other deductions . . . . .	\$ 7,019,990	
Less other income . . . . .	5,140,017	1,879,973
PROFIT BEFORE TAXES ON INCOME . . . . .		<u>\$ 84,897,180</u>
Provision for taxes on income . . . . .		45,555,861
NET PROFIT . . . . .		<u><u>\$ 39,341,319</u></u>

## CONSOLIDATED EARNED SURPLUS STATEMENT

Balance at beginning of period:

The Coca-Cola Company—December 31, 1959 . . . . .		\$192,518,260
Minute Maid Corporation:		
Balance at October 31, 1959 . . . . .	\$ 13,224,814	
Net profit for period of two		
months ended December 31, 1959 . . . . .	780,540	
	<u>\$ 14,005,354</u>	
Less dividends:		
Cash—December 10, 1959 . . . . .	\$ 499,482	
Stock—November 30, 1959 . . . . .	1,523,950	2,023,432
Combined balance at December 31, 1959 . . . . .		<u>11,981,922</u>
Net profit for the year 1960 . . . . .		39,341,319
		<u>\$243,841,501</u>
Deduct:		
Loss of investment in Cuban assets (net of		
applicable income tax effect) . . . . .	\$ 2,032,981	
Cash dividends—1960:		
The Coca-Cola Company—		
\$2.40 per share . . . . .	\$ 30,738,836	
Minute Maid Corporation—		
\$.75 per share . . . . .	1,493,403	32,232,239
EARNED SURPLUS—DECEMBER 31, 1960 . . . . .		<u><u>\$209,576,281</u></u>

See Notes to Financial Statements



## NOTES TO FINANCIAL STATEMENTS

1. *Merger.* As approved by the stockholders of the two companies, The Coca-Cola Company and Minute Maid Corporation were merged as of the close of business on December 30, 1960, and The Coca-Cola Company became the surviving corporation. The merger was effected by the issuance of 906,405 shares of stock of The Coca-Cola Company (less fractional shares for which cash will be paid) in exchange for the entire outstanding stock of Minute Maid Corporation on the basis of 1 share of stock of The Coca-Cola Company for 2.2 shares of Minute Maid Corporation. The merger has been treated in the accompanying financial statements in accordance with the pooling of interests accounting principle; accordingly, the accompanying consolidated balance sheet and consolidated statements of profit and loss and earned surplus represent a combination of the consolidated statements of both companies.

2. *Foreign Operations.* The consolidated balance sheet includes the following amounts with respect to subsidiaries and branches operating in foreign countries: current assets, \$57,136,767 (including cash and government securities totaling \$29,549,937); property, plant and equipment at depreciated cost, \$43,553,226; other assets, \$6,798,288; and liabilities, \$30,305,532. Property accounts have been converted at rates of exchange prevailing at dates of acquisition and all other assets and liabilities at approximate rates of exchange prevailing at December 31, 1960.

In October, 1960, the Cuban government confiscated the assets of The Coca-Cola Company located in Cuba. The loss of the investment in these assets (net of applicable income tax effect) amounting to \$2,032,981 has been charged to earned surplus, and the profits relating to the Cuban operations have been eliminated from consolidated profit and loss for the year.

It is the established policy of The Coca-Cola Company to include in consolidated net profit the entire net profit of the Canadian and Caribbean (excluding Cuba) subsidiaries, but to include the net profit of other foreign subsidiaries only to the extent such profits have been remitted to the Company. Accordingly, the other deductions account includes a provision for unremitted foreign profits in the amount of \$5,138,095, representing foreign profits earned but not remitted in 1960. It has been the policy of Minute Maid Corporation to include in net profit for the year all foreign profits whether or not remitted, and such profits for the year 1960 (not material in amount) have been included in consolidated net profit.

3. *Inventories* are stated at the lower of cost (average or first-in, first-out method) or market except that inventories of certain major citrus concentrate products are stated at the lower of cost (last-in, first-out method) or market.



# NOTES TO FINANCIAL STATEMENTS

continued

## 4. *Long-Term Debt* (exclusive of current maturities) consists of:

Mortgages, principally on grove properties at 5%, payable in installments through 1982 . . . . .	\$ 10,152,711
Subordinated debentures, 4% due December 1, 1974 (The sinking fund requirements of the debenture agreement are such that the entire amount will be retired by February 1, 1963) . . . . .	4,808,000
Term notes 5½%, payable \$550,000 February 1, 1962 to 1965 . . . . .	2,200,000
Other . . . . .	321,546
	<u>\$ 17,482,257</u>

5. *Capital Stock.* Under a stock option plan adopted in 1955, The Coca-Cola Company granted stock options, exercisable in up to ten years, to certain officers and employees at market prices on the option granting dates. Options were granted at various prices from \$37.375 per share to \$54.29 per share (adjusted for three-for-one stock split on January 22, 1960). At December 31, 1959 options for 456,069 shares (adjusted for three-for-one stock split) were outstanding. During the year 1960, options for 2,850 shares were cancelled as a result of retirement, death, or resignation; options for 83,512 shares were exercised. At December 31, 1960 options for 369,707 shares were outstanding, of which 88,816 shares represented the exercisable portion of options. The plan expired on April 30, 1960, and no further options may be granted under this plan.

The Agreement of Merger between The Coca-Cola Company and Minute Maid Corporation provided that options outstanding to Minute Maid Corporation officers and employees at the date of the merger would be honored by The Coca-Cola Company in the same relationship as the exchange of stock in the merger, at the rate of 1 share of The Coca-Cola Company stock for each 2.2 shares of stock of Minute Maid Corporation, and with appropriate adjustment of the option price. Accordingly, 13,036 additional shares of stock are subject to outstanding options exercisable over periods up to ten years from May 25, 1960 at prices from \$37.44 to \$41.80 per share, and options for 284 shares are exercisable until December 31, 1962 at \$10.87 per share.

6. *Depreciation.* Provision for depreciation in the amount of \$13,440,940 was charged to manufacturing and other expenses.



## ACCOUNTANTS' REPORT

TO THE BOARD OF DIRECTORS  
THE COCA-COLA COMPANY  
NEW YORK, NEW YORK

We have examined the consolidated financial statements of THE COCA-COLA COMPANY and its subsidiaries for the year ended December 31, 1960. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. The consolidated financial statements of Minute Maid Corporation and its subsidiaries have been combined herein as reported upon by its independent accountants.

In our opinion, based upon our examination and the aforementioned report of other accountants, the accompanying balance sheet and statements of profit and loss and earned surplus present fairly the consolidated financial position of THE COCA-COLA COMPANY and its subsidiaries at December 31, 1960, and the consolidated results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ERNST & ERNST  
*Certified Public Accountants*

Atlanta, Georgia  
February 28, 1961

## TRANSFER AGENTS

WILMINGTON TRUST COMPANY, *Wilmington, Delaware*  
MORGAN GUARANTY TRUST COMPANY OF NEW YORK  
*New York, New York*  
TRUST COMPANY OF GEORGIA, *Atlanta, Georgia*

## REGISTRARS

BANK OF DELAWARE, *Wilmington, Delaware*  
THE CHASE MANHATTAN BANK, *New York, New York*  
THE FIRST NATIONAL BANK OF ATLANTA  
*Atlanta, Georgia*







Syrup, Concentrate,  
and Processing Plants providing pure  
and wholesome refreshment to thirsty  
millions throughout the civilized world.

● Coca-Cola-supplying over  
1700 Bottlers in 105 countries.  
● Minute Maid ● Tenco

- Ajax, Canada
- Anaheim, California
- Atlanta, Georgia
- Auburndale, Florida
- Baltimore, Maryland
- Brussels, Belgium
- Buenos Aires, Argentina



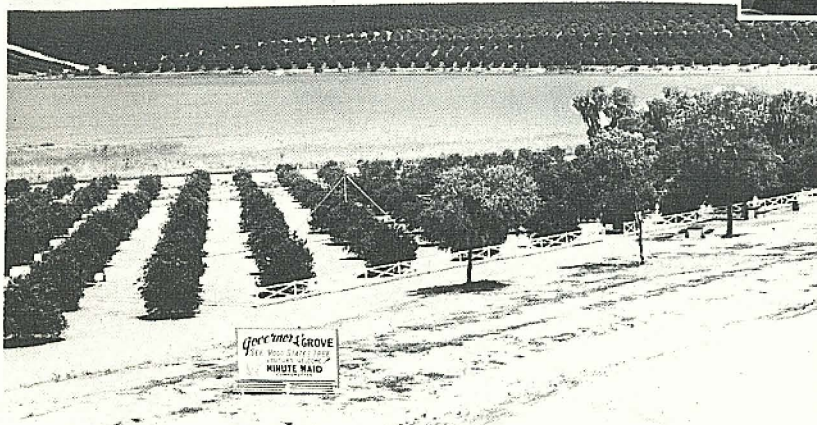


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|------------------------|---------------------------|-----------------------|--------------------------------|-----------------------|
| ● Cali, Columbia       | ● Honolulu, Hawaii        | ● Madrid, Spain       | ● New Delhi, India             | ● Santiago, Chile     |
| ● Casablanca, Morocco  | ● Kearny, New Jersey      | ● Manila, Philippines | ● New Orleans, Louisiana       | ● St. Louis, Missouri |
| ● Chicago, Illinois    | ● Leesburg, Florida       | ● Mexico City, Mexico | ● Plymouth, Florida            | ● Sydney, Australia   |
| ● Dallas, Texas        | ● Lille, France           | ● Milan, Italy        | ● Portland, Oregon             | ● Tokyo, Japan        |
| ● Durban, South Africa | ● Linden, New Jersey      | ● Montevideo, Uruguay | ● Rio de Janeiro, Brazil       | ● Toronto, Canada     |
| ● Essen, Germany       | ● London, England         | ● Montreal, Canada    | ● Salisbury, Southern Rhodesia | ● Vancouver, Canada   |
| ● Hamburg, Germany     | ● Los Angeles, California | ● Nairobi, Kenya      | ● San Francisco, California    | ● Winnipeg, Canada    |





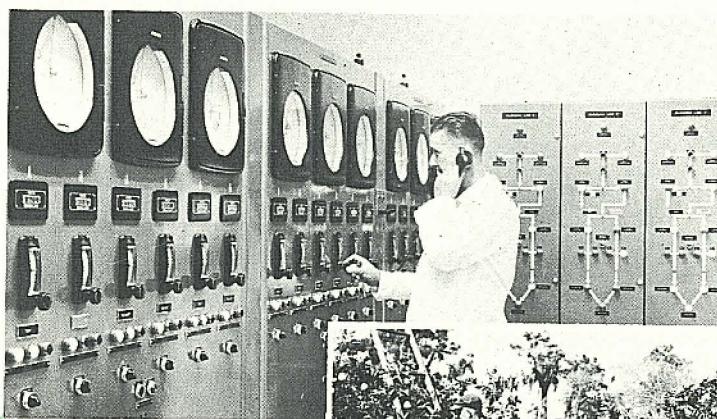
Filling drums at one of the syrup plants of The Coca-Cola Company.



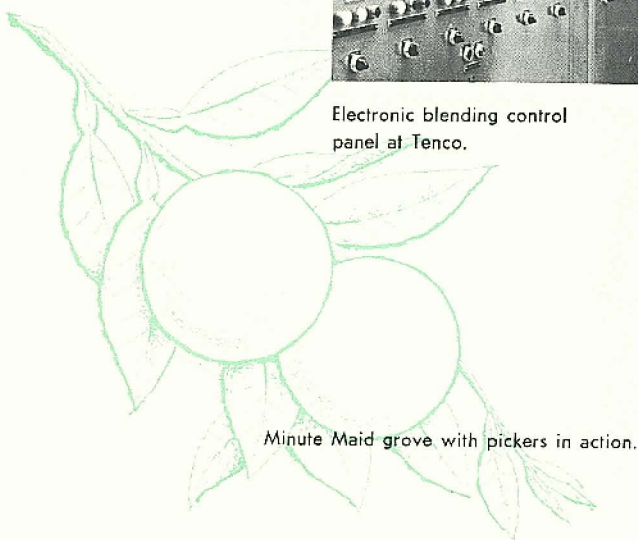
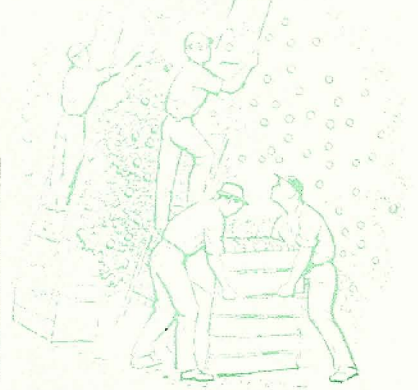
A typical Minute Maid grove.



Hong Kong, China Coca-Cola Bottling Plant.



Electronic blending control panel at Tenco.



Minute Maid grove with pickers in action.

